PAGE 02/03

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PAGE 02/03

## STATE OF CALIFORNIA BUSINESS. TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT 1800 Third Street, Suite 430

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February 19, 2009

Mr. Michael Johnson Planning Director County of Placer 3097 County Center Dr., Ste 140 Auburn, CA 95603

Dear Mr. Johnson:

## RE: Review of the County of Placer's Revised Draft Housing Element

Thank you for submitting Placer County's revised draft housing element received for review on December 23, 2008 with additional revisions received on February 17, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). A telephone meeting with Mr. Christopher Schmidt, Senior Planner, and Ms. Ann Baker, Principal Planner, of your staff, and Mr. Rik Keller and Ms. Chesley Norton, with Mintier Harnish, the County's Consultants, facilitated the review.

The revised draft element addresses most of the statutory requirements described in the Department's October 10, 2008 review. However, the following revisions are necessary to comply with State housing element law (Article 10.6 of the Government Code):

 Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employers, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Section 65583(c)(1))

The revised element includes a program to explicitly allow Single Room Occupancy Units (SRO) as a residential use in "certain zones", (page 24). The program should clarify which zones the County is considering to allow SRO projects.

2. The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of extremely low-, low- and moderate-income households (Section 65583(c)(2)).

The element did not address this requirement.

a) The response letter indicates Program B-6, Program B-9, and Program D-2 are sufficient to assist in the development of housing to meet the needs of extremely low-income households (ELI). However, neither these programs nor the element specifically indicate how these programs are adequate or address the unique

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PAGE 03/03

Mr. Michael Johnson Page 2

housing needs of extremely low-income households. To address this requirement, the element could revise programs B-6 and B-9 to prioritize use of a portion of the identified funding to be for the development of housing affordable to ELI households; and/or, include programs offering financial incentives or regulatory concessions to encourage the development of housing types, such as SROs, which address the needs of this income group. In addition, the County could consider a program to encourage development of housing affordable to ELI households by providing financial or regulatory incentives to developers who agree to include a portion of their units affordable to ELI households.

b) Given the increased reliance on commercial and mixed-use sites to accommodate housing affordable to low-income households, the element continues to require programmatic actions to facilitate housing development within these zones. For example, the element could modify Program A-4 (Mixed-Use Development) or include additional programs to specify how the County will promote the availability of these sites, target specific financial incentives, and offer expedite the permit processing procedures and other regulatory incentives for stand alone residential development as well as mixed-use developments.

Finally, the revised Inventory demonstrates sufficient capacity to accommodate the County's remaining regional housing need allocation (RHNA) of 2,417 units affordable to lower-income households. For your information the determination of adequate sites only considered sites less than 20 acres in size, and sites without environmental or infrastructure limitations. In addition, the determination did not consider the 225 units of employee housing as the element was not revised to demonstrate the afordability of the units. Without relying on these sites to accommodate the RHNA for lower-income households, the inventory demonstrates the capacity for 1,239 units on high density residential sites and 1,916 units on mixed-use or commercial sites allowing residential development.

Once the element has been revised to adequately address these requirements, the element will be in compliance with State housing element law. The Department appreciates the cooperation and assistance provided by Mr. Keller and Ms. Norton throughout the course of the review and would be happy to provide any assistance needed to facilitate your efforts to bring the element into compliance. If you have any questions or would like assistance in revising the element, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,

Cathy E. Creswell Deputy Director

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